

AMENDED IN SENATE AUGUST 28, 2006

AMENDED IN SENATE AUGUST 23, 2006

AMENDED IN SENATE AUGUST 7, 2006

AMENDED IN ASSEMBLY MAY 26, 2006

AMENDED IN ASSEMBLY MAY 3, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2723

Introduced by Assembly Member Pavley
(Coauthors: Assembly Members Cohn, Frommer, Koretz, Levine,
Lieber, Ruskin, Saldana, and Shirley Horton)
(Coauthors: Senators Kehoe, Kuehl, and Murray)

February 24, 2006

An act to add Section 2852 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2723, as amended, Pavley. Electricity: solar energy: ~~Low-Income Housing Development Program~~ *low-income residential housing*.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. A decision of the PUC adopted the California Solar Initiative under which the PUC will oversee a program to promote solar energy technologies, administered by electrical corporations and gas corporations, for commercial and residential customers, funded through electrical corporation and gas

corporation revenues and collected from gas and electric utility distribution rates.

This bill would prohibit the establishment of the California Solar Initiative from resulting in the diversion of any moneys from any existing programs for low-income ratepayers, or from cost-effective energy efficiency or demand response programs. The bill would require the PUC to ensure that not less than 10% of the overall funds for the California Solar Initiative are utilized for the installation of solar energy systems, as defined, on low-income residential housing, as defined. The bill would ~~require~~ *authorize* the PUC to ~~ensure that incorporate~~ a revolving loan or loan guarantee program ~~is incorporated~~ into the California Solar Initiative for low-income residential housing.

The bill would require that all moneys set aside for the purpose of funding the installation of solar energy systems on low-income residential housing, that are unexpended and unencumbered on January 1, 2016, and all unencumbered moneys thereafter repaid from loans made for the installation of solar energy systems on low-income residential housing, be utilized to augment existing cost-effective energy efficiency measures in low-income residential housing that benefit ratepayers.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2852 is added to Chapter 9 of Part 2 of
- 2 Division 1 of the Public Utilities Code, to read:
- 3 2852. (a) As used in this section, the following terms have
- 4 the following meanings:
- 5 (1) "California Solar Initiative" means the program providing
- 6 ratepayer funded incentives for eligible solar energy systems
- 7 adopted by the Public Utilities Commission in Decision
- 8 05-12-044 and Decision 06-01-024.
- 9 (2) "Low-income residential housing" means either of the
- 10 following:
- 11 (A) Residential housing financed with low-income housing tax
- 12 credits, tax-exempt mortgage revenue bonds, general obligation
- 13 bonds, or local, state, or federal loans or grants, and for which the
- 14 rents of the occupants who are lower income households, as

1 defined in Section 50079.5 of the Health and Safety Code, do not
2 exceed those prescribed by deed restrictions or regulatory
3 agreements pursuant to the terms of the financing or financial
4 assistance.

5 (B) A residential complex in which at least 20 percent of the
6 total units are sold or rented to lower income households, as
7 defined in Section 50079.5 of the Health and Safety Code, and
8 the housing units targeted for lower income households are
9 subject to a deed restriction or affordability covenant with a
10 public entity that ensures that the units will be available at an
11 affordable housing cost, as defined in Section 50052.5 of the
12 Health and Safety Code, or at an affordable rent, as defined in
13 Section 50053 of the Health and Safety Code for a period of at
14 least 30 years.

15 (3) “Solar energy system” means a solar energy device that
16 has the primary purpose of providing for the collection and
17 distribution of solar energy for the generation of electricity, that
18 produces at least one kilowatt, and except for a solar energy
19 device for a nonprofit building, produces not more than five
20 megawatts, alternating current rated peak electricity, and that
21 meets or exceeds the eligibility criteria established by the
22 commission or the State Energy Resources Conservation and
23 Development Commission.

24 (b) In establishing the California Solar Initiative, no moneys
25 shall be diverted from any existing programs for low-income
26 ratepayers, or from cost-effective energy efficiency or demand
27 response programs.

28 (c) (1) The commission shall ensure that not less than 10
29 percent of the funds for the California Solar Initiative are utilized
30 for the installation of solar energy systems on low-income
31 residential housing. Notwithstanding any other law, the
32 commission may modify the monetary incentives made available
33 pursuant to the California Solar Initiative to accommodate the
34 limited financial resources of low-income residential housing.

35 (2) The commission ~~shall ensure that~~ *may incorporate* a
36 revolving loan or loan guarantee program ~~is incorporated~~ into the
37 California Solar Initiative for low-income residential housing.
38 All loans outstanding as of January 1, 2016, shall continue to be
39 repaid consistent with the terms and conditions of the program

1 adopted and implemented by the commission pursuant to this
2 subdivision, until repaid in full.

3 (3) All moneys set aside for the purpose of funding the
4 installation of solar energy systems on low-income residential
5 housing that are unexpended and unencumbered on January 1,
6 2016, and all moneys thereafter repaid pursuant to paragraph (2),
7 except to the extent those moneys are encumbered pursuant to
8 this section, shall be utilized to augment existing cost-effective
9 energy efficiency measures in low-income residential housing
10 that benefit ratepayers.

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